



**Federal Aviation
Administration**

**Russ Chew 1-800-FAA-NEWS Phone Message
January 6, 2006**

Hello, this is Russ Chew with the update for January 6th.

I am pleased to begin the New Year on a positive note regarding employee pay and compensation. As many of you heard, the Administrator this week announced that eligible employees under the Core Compensation Plan will receive a three point one percent Organizational Success Increase, effective January eight, plus locality pay, which averages one percent across the country.

The pay bands under Core Compensation, which have not changed for three years, are being raised by two point one percent. Employees in the FG and FM pay systems, pending completion of negotiations over pay, will receive the same two point one percent increase as other Federal GS employees, plus locality pay; as will employees in the executive compensation plan.

On the average, our pay bands are still higher than the market in the rest of industry; but they were falling behind their respective GS levels in the rest of government. Now although this won't impact our budgeted cash flow for 2006 -- because our employees whose base pay is already at the top of the pay band still get paid for the raise amount above the band -- this will put even more pressure on what is shaping up to be an extremely challenging budget for the next 2007 fiscal year.

Now this is very important because for the rest of our 2006 fiscal year, financial accountability is more important than ever. Since my last update, the fiscal year 2006 DoD Appropriations Act included a one-percent across-the-board reduction for most federally funded programs. This rescission, in addition to other unbudgeted operating requirements and mandates, means that we have to find a way to cut well over one hundred million dollars from our operating budget. This is the budget that is mostly made up by our pay and benefits (about 80%) -- both for those of us who are already here, but also the new hires that we were planning to bring aboard.

Because of the rescission, we will be working very hard over the coming weeks to make some very tough choices on how to reduce our operating costs for the remaining three quarters in this 2006 fiscal year.

On a more positive note, we have had several systems recently commissioned at Cincinnati/Northern Kentucky International Airport. On December 22, the instrument landing system and distance measuring equipment on Runway 18R and 36L was commissioned, as was the dual mode high intensity approach lighting system, and the runway visual range system serving Runways 18L and 36R. I'd like to thank the

dedicated employees of Tech Ops Eastern Service Area. It is always a team effort that makes these things happen on schedule.

Although we were blessed with unseasonably good weather for most of the holiday period, we started the New Year with some rough weather. An unusual weather pattern, similar to a severe weather day in July, took place January 2nd and 3rd. On the 2nd, we exceeded thirty three hundred delays, mainly for low ceilings, volume and thunderstorms. This makes the top-ten worse delay days in the last year, and were felt at most major air-carrier hubs; and general aviation contributed with traffic to and from South Florida and ski centers in Colorado.

On the bright side, even with the near record number of delays, the customer comments were fairly positive. Again, thanks for your hard work across the system. In spite of some very tough budget constraints, I am proud of the accomplishments we have made over the last year; and although it will still take many years, our progress so far makes me more confident than ever that we can reach our goals. Let's keep the momentum up as we demonstrate to our customers and owners that we in ATO can and will deliver the best value in aviation safety services to our industry, community, and country.

I hope each of you had a safe and happy new year, and I look forward to tackling the challenges ahead in the new year together. Well, that's it for this week. Thanks for listening, and I'll talk to you again next week.